1. Title and commencement :—(1) These rules may be called the Karnataka State Road Transport Corporation (Amendment) Rules, 1977.

(2) They shall come into force at once.

2. Amendment to rule 6 :—In sub-rule (1) of rule 6 of the Karnataka State Road Transport Corporation Rules, 1961, under the heading "II For journeys outside the State", after clause (b) the following note shall be inserted, namely :—

"*Note* :—For the purposes of this clause, Bombay, Delhi, Calcutta, Madras, Simla, Mussori, Srinagar, Goa, Daman and Diu are 'A' Class Cities in India."

By Order and in the name of the Governor of Karnataka,

K. P. RAMAKRISHNA,
Under Secretary to Government,
Home Department.

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FINANCE SECRETARIAT

Notification No. FD 84 RFC 71.
Bangalore dated 28th November 1977.

G. S. R. 5.—In exercise of the powers conferred by Clause (2) of Article 283 of the Constitution of India, the Governor of Karnataka hereby makes the following rules further to amend the Karnataka Financial Code, namely :—

1. Title and Commencement :—These rules may be called the Karnataka Financial Code (7th Amendment) Rules 1977.

2. Amendment to Article 208-C (P. 224) :—In Article 208-C of the Karnataka Financial Code (hereinafter referred to as the said Code), after clause (c), the following shall be inserted as clause (d) namely,—

"(d) In case houses constructed or altered or additions made out of House Building Advance or House Repair Advance are rented out the rate of interest chargeable will be as prescribed in Article 212-A",

3. Amendment to Article 210 (P-226) in Article 210 of the said Code, after clause (d), insert the following as clause (dd), namely,—

"(dd) Neither the applicant nor the applicant's wife/husband/minor child must be the owner of a house already. This condition may be relaxed by Government in exceptional circumstances for example, where the applicant or the applicant's wife/husband/minor child owns a house in any place other than the place where he/she desires to settle after retirement or where the applicant happens to own a house jointly with other relations etc., and he/she

desires to build and or purchase a separate house for his/her bonafide residential purpose where he/she desires to settle down after retirement".

4. Amendment to Article 211(F-227) :—In Article 211 of the said Code for clause (b) the following shall be substituted, namely,—

"(b) An advance not exceeding 60 months' pay subject to a maximum of the following amounts and limited to the actual expenditure involved may be granted. The ceiling limits indicated below include also the cost of stamp paper and registration charges for executing the mortgage deed ;

(i) Rs. 80,000 for the purchase of land and for construction of house.

(ii) Rs. 80,000 for construction of house on Site already owned.

(iii) Rs. 80,000 for the purchase of ready built house.

In the case of purchase of ready built house, the appropriate authority shall satisfy himself by obtaining a certificate from the Officer of the Public Works Department not below the rank of an Executive Engineer as to the class and normal useful age of the houses Applications for House Purchase Advance should be accompanied by a certificate regarding the age of the house and the normal useful age from the competent Public Works Department Officer. Ready built houses are classified into six categories depending on the normal useful age of the house as indicated in Article 213.

Advances shall not be granted for purchase of house whose age is more thad 25 years :

(ii) For clause (c) and the Note thereunder, the following shall be substituted, namely,-

"(c) An advance equal to sixty month's pay subject to a maximum of Rs. 20,000 in the case of repairs, improvements, or extension to an existing home"

NOTE : The term 'PAY' means the substantive pay of the Government servant. Advance may, however, be reckoned on the basis of the pay drawn by a Government servant holding a post on a non-substantive tenure provided the Head of the Department certifies that there is no likelihood of the Government servant reverting from the non-substantive appointment. Special Pay (duty allowance) personal pay and Dearness pay, Dearness Allowance if any, may also be taken into account for the purpose of determining the amount of advance.

The above provisions shall be deemed to have come into effect from 17th September 1970.

5. Insertion of new Article 212-A :—After article 212 of the said Code, the following heading and new Article shall be *inserted* namely,-

RATES OF INTEREST IF THE HOUSES ARE LET OUT.

"212-A(a) :— In the following cases, the Government servant may be forced to let out the house constructed or purchased out of the Government advance :—

(i) The house is constructed at the place of duty of a Government servant but he/she has been transferred subsequently to another place where he/she has to reside in a rented house and

(ii) The house is constructed at the place where the Government servant proposes to settle after retirement and he/she is on duty elsewhere and resides in a rented house.

(b) If the houses are let out wholly or partly for residential or non-residential purposes and such letting out was not forced on him/her for reasons set out in clause (a) above, the rates of interest leviable are as follows :—

(i) At 1½ times the normal rate when let out wholly for residential purposes treating it as an investment,

(ii) At double the normal rate if the house is partly or wholly let out for non-residential purposes, e.g., Shops, Restaurant, Office. The loan shall be foreclosed in such cases if so desired by Government".

(c) The higher rate of interest has to be charged for the actual period of non-compliance of the Rules *i.e.*, for the period it is let out. The appropriate authority is responsible to keep a watch in this behalf and intimate the Accountant General about all cases in respect of which interest is required to be calculated by the Audit Office. In all other cases, the appropriate authority should calculate and arrange for the recovery of the higher rate of interest.

The provisions of this Article shall be applicable to all to the cases ofadvances to be sanctioned from an appointed date to be fixed by Government.

(6) Amendment of Article 213 :—(1) for the existing Article 213 of the said Code, the following shall be substituted retaining the existing 'Note' thereunder :—

"213- Advances granted to a Government servant under these rules for purchase or construction of a house along with interest thereon shall be repaid in full by monthly instalments within a period not exceeding 25 years, or before the date of retirement whichever is earlier. The recovery of the advance shall be made in not more than 216 monthly instalments (in 18 years), and interest shall be recovered in not more than 84 monthly instalments (in 7 years). In the case of House Repair Advance, the principal is recoverable in not more than 96 (ninety six) monthly instalments (in 8 years) and the interest in 24 (twenty four) monthly instalments (in 2 years) therefter.

Provided that in the case of purchase of ready built house of a Class and maximum age specified in column (1) and (2) respectively of the table below, the advance and the interest thereon shall be repaid within the respective periods specified in the corresponding entries in column (4) and (5) thereof :—

Class of Houss.	Normal useful age of the house.	Age of the House at the time of granting loan	Period of repayment	
			Advance	Interest.
1	2	3	4	5
Class-I.	100 years	25 years.	15 years.	5 years.
do II	100 ,,	20 ,,	15 ,,	5 ,,
do III	66 ,,	20 ,,	15 ,,	5 ,,
do IV	66 ,,	15 ,,	15 ,,	5 ,,
do V	20 ,,	5 ,,	12 ,,	4 ,,
do VI	15 ,,	3 ,,	9 ,,	3 ,,

Provided further that in the case of Government servants with less than 25 years service before the date on which they attain the age of superannuation, recovery may be permitted at a rate not less than the amount of monthly instalment on the basis of repayment in a period of 25 years.

Recovery shall be effected by deduction of the monthly instalments as prescribed by the rules or as may be fixed by Government from time to time from the pay or salary bill of the Government servant concerned the head of the office or the Accounts Officer concerned as the case may be. The amount of interest calculated at the rates sanctioned by the Government for the advance shall be recovered in one or more instalments, such an instalment being not appreciably greater than the instalment by which the principal would be recovered. The recovery of interest shall commence from the month following that in which the repayment of the principal would be completed. The actual number of instalments in which the principal has to be recovered shall be determined by the appropriate authority and incorporated in the order sanctioning the advance. In the case of Gazetted Officers, the Accountant General will fix the actual number of instalments in which the principal and interest have to be recovered. It is the responsibility of the grantee to ascertain from the Accountant General about the interest due on the advance to pay it in instalments as prescribed.